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UNCLAS SECTION 01 OF 03 HARARE 000847

SIPDIS

AF/S FOR BNEULING  
NSC FOR SENIOR AFRICA DIRECTOR C. COURVELLE  
USDOC FOR ROBERT TELCHIN  
TREASURY FOR OREN WYCHE-SHAW  
PASS USTR FOR FLORIZELLE LISER  
STATE PASS USAID FOR MARJORIE COPSON  
US MISSION GENEVA FOR JOHN CHAMBERLIN  
USDOL FOR ROBERT YOUNG

E.O. 12958: N/A

TAGS: [CASC](#) [EFIN](#) [EINV](#) [KIDE](#) [PGOV](#) [KSPR](#) [ZI](#)

SUBJECT: 2005 ZIMBABWE REPORT ON INVESTMENT DISPUTES AND  
EXPROPRIATION CLAIMS

REF: SECSTATE 70014

1. (U) The U.S. Government is aware of seven expropriation claims of U.S. persons that may be outstanding against the Government of Zimbabwe (GOZ). All seven claims arise out of the GOZ's Land Resettlement Program, which commenced in 2000.

In the past year, the general pace of land reform has considerably slowed. However, one additional American property owner (Claimant F) was dispossessed of his land.

2. (U) Under its continuing Land Resettlement Program, the GOZ has targeted almost all farm or wildlife property owned by non-indigenous landowners for compulsory acquisition. The GOZ has consistently maintained that no compensation will be made for land itself, but that compensation will be made for improvements to the property. However, to date, the GOZ has not compensated any American claimants for either acquired property or improvements to property. Disruptions posed by land reform and the economy's generally chaotic conditions complicate meaningful valuation of the land or of any improvements made. However, the values of the seven American citizen claimant properties at issue range from USD 200,000 to more than USD 2,000,000.

3. (U) Despite various GOZ statements to the contrary, there has been no progress either on the ground or in the courts to resolve ownership, possession, and compensation issues for the American-owned properties. Because of the current judicial and political chaos, it is difficult to state precisely when any of the seven landowners was legally dispossessed. Therefore, the dates of expropriation offered below are approximations only. Many of them continue to press claims and challenges to GOZ acquisition of their properties through Zimbabwe's courts. However, even in instances where Zimbabwean courts issue favorable rulings to such challenges, the police and District Land Administrators usually refuse to enforce the rulings.

4. (U) Post continuously tracks the situation of all seven properties, all of which have received either Preliminary or Final Notices of Acquisition from the GOZ. Most of the American citizens affected have not asked the Embassy to intervene beyond raising the issue of compensation with appropriate GOZ officials in our normal course of meetings and through diplomatic notes.

5. (U) a. Claimant A

b. 2002

c. Claimant A reported that his property had been invaded by approximately eight war veterans, and that a prosperous and well-connected Zimbabwean was grazing his cattle on the property. Approximately 60 sabres had been released from a grazing pen and had subsequently disappeared -- either escaped from the property or poached. Although contact has not recently been made with Claimant A, there has been no report that the occupiers or the livestock have been moved off of the property.

Claimant A continues to be denied access to his property despite a favorable ruling through the Zimbabwe High Court. The farmhands still remaining on the property reported widespread looting of the premises.

6. (U) (Claimant B from last year's report passed away in 2004 and there are no surviving American citizen claimants to the land; accordingly, we removed this claim from the expropriation report.)

7. (U) a. Claimant B

b. 2002

c. Claimant B has an 85-hectare flower-exporting farm that has been listed for compulsory acquisition under an initial notice of acquisition (Section 5 notice). Claimant B is awaiting a court ruling on the GOZ's claim to his property.

In 2004, the Mashonaland East Governor signed a delisting form but the Local Government and Land Ministries refused to assent. Claimant B then attempted to sell his property to a nephew of the Chief Justice of Zimbabwe's Supreme Court, but the sale fell through as the nephew reneged on payment. Claimant B is off the farm, and the head of GOZ armed forces General Constantine Chiwanga currently farms the land. According to Claimant B, there has been no significant development in his case during the past year.

18. (U) a. Claimant C

b. 2003

c. Claimant C, received a final notice of acquisition (Section 8 notice) in January, 2003. Claimant C purchased the 7,618-hectare property in 1985 with Zimbabwe Investment Center (ZIC) certificates to run a hunting and photographic safari business. Although still on the land, Claimant C has subsequently stopped his safari business as he claims invaders have poached all of the game. Claimant C is protesting the acquisition through Zimbabwe's courts. After receiving permanent residency in South Africa, Claimant C has been laying the groundwork to emigrate but has been unable to secure the proper documentation to move personal belongings out of Zimbabwe.

19. (U) a. Claimant D

b. 2002

c. Claimant D's rural wildlife-based property, which was transferred from a Zimbabwean spouse to a trust benefiting the couple's two American children, is located in the district of Hwange. Claimant D used the 420-hectare property primarily for hunting and photographic safari purposes. The Government has allocated the property to a Zimbabwean settler who has done nothing with the land. Claimant D left the farm on October 1, 2002, and the settler kicked off all Claimant D's employees by March 2004. Since that time, there has been no substantial change in the situation on the ground. Claimant D has asked the Embassy not to pursue this case through official channels.

110. (U) (Last year's report's Claimant E has made no contact with the Embassy for more than two years and we are unaware of her whereabouts; accordingly, we recommend taking this claim out of the expropriation report.)

111. (U) a. Claimant E

b. n/a

c. Claimant E has received a Section 5 notice but is still in possession of the property in the Bikita District in southern Zimbabwe. The property is dedicated to a 26-property wildlife conservancy containing both black and white rhinos. The GOZ has announced plans to implement a land tenure scheme whereby title of conservancies reverts to the State, which then grants a 25-year lease to each property owner. In return, the current owners would agree to indigenize their businesses through shareholder equity. The 25-year leases would be automatically renewable, but not transferable. Claimant E has said he would rather pull out than pay rent for property he has already purchased, but continues to negotiate with the GOZ along with other Conservancy spokesmen. Ambassador Dell raised Claimant E's case with Environment and Tourism Minister Francis Nhema, who indicated that he would like to see Claimant E and the rest of the conservancy join the Trans-Frontier Conservation Area (a park linking tracts in Zimbabwe, Mozambique, and South Africa). Charge, d'Affaires Schultz also met with Claimant E at the Embassy.

112. a. Claimant F

b. 2004

c. Claimant F owns a 996-hectare farm in his American wife's name after Claimant F's son ran the farm into bankruptcy. Claimant F does not have a Zimbabwe Investment Certificate. Claimant F was able to move much of his irrigation and farm equipment off the property prior to losing control of the farm but lost 170 head of cattle. Settlers first arrived on the farm in 2000 but Claimant F maintained good relations with them and local police, and he continued to have access to the farm until 2004. From May to July 2004, Claimant F received Section 5 and Section 8 notices of acquisition and asked the Embassy to write a diplomatic note protesting the

intended acquisition. The Embassy did so and received a pro forma response. Shortly thereafter, Claimant F was no longer afforded access to the farm and effectively dispossessed of the land. There have been no further developments on the ground and Claimant F decided not to use the courts as the GOZ is not enforcing judgments adverse to its own interests.

13. (U) a. Claimant G

b. N/A

c. Registered in 1997, Claimant G is a subsidiary trust of a California-registered Non-Profit Religious Organization that planned to establish an environmental and life skills teaching center operating near Kadoma. Claimant G purchased the 160-hectare parcel in 1999 but has been unable to effect a proper transfer of title. Nonetheless, in addition to having exclusive use of the land since 1999, Claimant G has the Agreement of Sale as proof of purchase. In November 2004, Claimant G received a Section 5 initial notice of acquisition, to which it has responded in court as well as by correspondence to various Zimbabwean government entities. Claimant G recently received a Section 8 notice of immediate acquisition, which it is also contesting in the courts.

14. (SBU) Please find below the identities of the claimants listed above as per Ref A, paragraphs 18 and 19:

Claimant A: William Holmes Taylor IV and two sons, all American citizens, with property owned in trust by Emblehope Enterprises (Pvt.) Ltd., a Zimbabwean entity. Taylor and his two sons are the primary beneficiaries. No PAW signed.  
Claimant B: Edward Galante, an American citizen, with the property owned by Machera Farming Enterprises (Pvt.) Ltd., a Zimbabwean entity. Galante and his two AmCit children are the primary beneficiaries. No PAW signed.  
Claimant C: Sam and Janet Chambliss, both American citizens. The property is owned by Twin Springs Conservancy (Pvt.) Ltd. with Sam and Janet Chambliss as the sole shareholders. No PAW signed.  
Claimant D: Debbie Rabinovitch and minor children Diane and Desmond Rabinovitch, all American citizens. The property is owned by a Zimbabwean trust of which Diane and Desmond are the beneficiaries. No PAW signed.  
Claimant E: Weldon and Kathy Schenck, both American citizens. The property is owned by a Zimbabwean trust due to interrelated obligations of conservancy landowners. No PAW signed.  
Claimant F: Terry and Joan Ryan, Husband is Zimbabwean and wife is American citizen. The property is owned under J.T. Management Consultancy (Pvt.) Ltd. No PAW signed.  
Claimant G: Lasting Impressions Wilderness Training Corporation, a registered California Non-Profit Religious organization, which wholly owns and controls The Lasting Impressions Trust, a Zimbabwean entity. Shelly Croudace, a director of The Lasting Impressions Trust is our contact and is an American citizen as well. No PAW signed.

SCHULTZ